



NEW YORK  
REGIONAL OFFICE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
BROOKFIELD PLACE, 200 VESEY STREET, SUITE 400  
NEW YORK, NY 10281-1022

March 31, 2021

**Via ECF**

Hon. Analisa Torres  
United States District Judge  
Daniel Patrick Moynihan United States Courthouse  
500 Pearl Street  
New York, NY 10007-1312

Re: SEC v. Carroll, et al.;  
No. 19 Civ. 7199 (AT)

Dear Judge Torres:

Pursuant to the Court's Order, entered March 17, 2020 (DE 51), we respectfully write to provide a status report regarding the parallel criminal action, United States v. Carroll, 19 Cr. 545 (CM) (S.D.N.Y.) ("Criminal Case").

On March 31, 2021, the United States Attorney's Office for the Southern District of New York ("USAO") submitted a proposed order of nolle prosequi, seeking to dismiss the Indictment in the Criminal Case (which named Defendants Carroll and Pappagallo) (Criminal Action DE 91), and submitted similar proposed orders of nolle prosequi to dismiss the respective criminal informations filed in United States v. Splain, 19 Cr. 519 (VSB)(DE 11) and United States v. Mortimer, 19 Cr. 556 (VEC) (DE 15), to which Defendants Splain and Mortimer pled guilty.

As the Court is aware, our action names each of the same Defendants, and we have obtained bifurcated judgments against Defendants Splain and Mortimer, resolving the liability aspects of our case against each of them. (DE 10 (Splain) and 9 (Mortimer).) While the allegations in our case are similar to those made in the Criminal Case Indictment, as a civil case, our burden of proof is lesser.

Nonetheless, the Commission believes that evaluation of the bases for the dismissal of the Criminal Case Indictment is appropriate, and respectfully requests 30 days to do so. If acceptable to the Court, the Commission will submit a further status report on April 30, 2021.

Respectfully submitted,

s/ Nancy A. Brown  
Nancy A. Brown  
Senior Trial Counsel

cc: All Defendants via ECF